



**6712-01**

**FEDERAL COMMUNICATIONS COMMISSION**

**47 CFR Parts 1 and 32**

**[WC Docket No. 14-130, CC Docket No. 80-286; FCC 17-15]**

**Comprehensive Review of the Uniform System of Accounts, Jurisdictional Separations and Referral to the Federal-State Joint Board**

**AGENCY:** Federal Communications Commission.

**ACTION:** Final rule; announcement of effective date.

**SUMMARY:** In this document, the Commission announces that the Office of Management and Budget (OMB) has approved, for a period of three years, information requirements associated with the Commission's Order, FCC 17-15. In this Order, the Commission minimized the compliance burdens imposed by the Uniform System of Accounts (USOA) on price cap and rate-of-return telephone companies, while ensuring that the Commission retains access to the information it needs to fulfill its regulatory duties. This document is consistent with the Order, which stated that the Commission would publish a document in the Federal Register announcing the effective date of the rules.

**DATES:** The amendments to 47 CFR 1.1409(g) and 32.1, published on May 4, 2017 at 82 FR 20833, are effective January 1, 2018.

**FOR FURTHER INFORMATION CONTACT:** Robin Cohn, Pricing Policy Division, Wireline Competition Bureau, at (202) 418-2747, or email: [Robin.Cohn@fcc.gov](mailto:Robin.Cohn@fcc.gov).

**SUPPLEMENTARY INFORMATION:** This document announces that, on December 3, 2017 OMB approved, for a period of three years, the information collection requirements contained in the Commission's *Part 32 Order*, WC Docket No. 14-130, CC Docket No. 80-286, FCC 17-15.

The OMB Number is 3060-1247. The Commission publishes this document as an announcement of the effective date of the rules. If you have any comments on the burden estimates listed below, or how the Commission can improve the collections and reduce any burdens caused thereby, please contact Nicole Ongele, Federal Communications Commission, Room 1-A620, 445 12<sup>th</sup> Street, SW, Washington, DC 20554. Please include the OMB Control Number, 3060-1247, in your correspondence. The Commission will also accept your comments via email at [PRA@fcc.gov](mailto:PRA@fcc.gov).

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## **SYNOPSIS**

As required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), the FCC is notifying the public that it received OMB approval on December 3, 2017, for the information collection requirements contained in the Commission's rules at 47 CFR 1.791; 1.1409(g); 32.1; 32.3; 32.11; 32.26; 32.101(c); 32.103; 32.2000(a)(4), (b)(1), (b)(2)(iii), (c)(2)(x), (e)(8), (f)(2)(iii), and (j); 32.2110; 32.2210; 32.2230; 32.2310; 32.2410; 32.2680; 32.2682(c); 32.2690(b); 32.3000; 32.3400(a); 32.3999; 32.4999(f) and (n); 32.5000; 32.5200; 32.5999(g); 32.6110; 32.6120; 32.6230; 32.6310; 32.6410; 32.6510; 32.6530; 32.6560; 32.6610; 32.6620; 32.6999; 32.7200; 32.9000; 65.810; and 65.820(d).

Under 5 CFR part 1320, an agency may not conduct or sponsor a collection of information unless it displays a current, valid OMB Control Number.

No person shall be subject to any penalty for failing to comply with a collection of information subject to the Paperwork Reduction Act that does not display a current, valid OMB Control Number. The OMB Control Number is 3060-1247.

The foregoing notice is required by the Paperwork Reduction Act of 1995, Pub. L. 104-13, October 1, 1995, and 44 U.S.C. 3507.

The total annual reporting burdens and costs for the respondents are as follows:

**OMB Control Number:** 3060-1247.

**OMB Approval Date:** December 3, 2017.

**OMB Expiration Date:** December 31, 2020.

**Title:** Part 32 Uniform System of Accounts.

**Form Number:** N/A.

**Respondents:** Business or other for-profit entities.

**Number of Respondents and Responses:** 1,176 respondents; 2,458 responses.

**Estimated Time per Response:** 20-40 hours.

**Frequency of Response:** One-time, on occasion, and annual reporting requirements; recordkeeping requirements.

**Obligation to Respond:** Required to obtain or retain benefits. Statutory authority for this information collection is contained in sections 10, 201, 219 through 220, 224, 254(k), 272(e)(3), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 160, 201, 219-220, 224, 254(k), 272(e)(3), and 403.

**Total Annual Burden:** 103,240 hours.

**Total Annual Cost:** No cost.

**Privacy Impact Assessment:** No impact(s).

**Nature and Extent of Confidentiality:** Respondents are not being asked to submit confidential information to the Commission. If the Commission requests respondents to submit information which respondents believe is confidential, respondents may request confidential treatment of such information under 47 CFR 0.459 of the Commission's rules.

**Needs and Uses:** On February 24, 2017, the Commission released the *Part 32 Order*, WC Docket No. 14-130, CC Docket No. 80-286, FCC 17-15, which minimized the compliance burdens imposed by Uniform System of Accounts (USOA) on price cap and rate-of-return companies, while ensuring that the Commission retains access to the information it needs to fulfill its regulatory duties.

The Commission consolidated Class A and Class B accounts by eliminating the current classification of carriers, which divides incumbent LECs into two classes for accounting purposes based on annual revenues. Carriers subject to part 32's USOA will now only be required to keep Class B accounts.

Pursuant to the *Part 32 Order*, price cap carriers may elect to use generally accepted accounting principles (GAAP) for all regulatory purposes if they: (1) establish an "Implementation Rate Difference" (IRD), which is the difference between pole attachment rates calculated under part 32 and under GAAP as of the last full year preceding the carrier's initial opting out of part 32 accounting requirements; and (2) adjust their annually-computed GAAP-based pole attachment rates by the IRD for a period of 12 years after the election. Alternatively, price cap carriers may elect to use GAAP accounting for all purposes other than those associated with pole attachment rates and continue to use the part 32 accounts and procedures applicable to pole attachment rates for up to 12 years.

A price cap carrier may be required to submit pole attachment accounting data to the Commission for three years following the effective date of the rule permitting a price cap carrier to elect GAAP accounting. If a pole attacher informs the Commission of a suspected problem with pole attachment rates, the Commission will require the price cap carrier to file its pole attachment data for the state in question. This requirement may be extended for an additional three years, if necessary.

The Commission reduced the accounting requirements for telephone companies with a continuing obligation to comply with part 32 in a number of areas. Telephone companies may: (1) carry an asset at its purchase price when it was acquired, even if its value has increased or declined when it goes into regulated service; (2) reprice an asset at market value after a merger or acquisition consistent with GAAP; (3) use GAAP principles to determine Allowance-for-Funds-Used-During Construction; and (4) employ the GAAP standard of materiality for price cap carriers. Rate-of-return carriers receiving cost-based support must determine materiality consistent with the general materiality guidelines promulgated by the Auditing Standards Board.

Price cap carriers with a continuing part 32 accounting obligation must maintain continuing property records necessary to track substantial assets and investments in an accurate, auditable manner. The carriers must make such property information available to the Commission upon request. Carriers subject to part 32 must continue to comply with the USOA's depreciation procedures and its rules for cost of removal-and-salvage accounting.

## **FEDERAL COMMUNICATIONS COMMISSION.**

**Marlene H. Dortch,**

Secretary,

Office of the Secretary.

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